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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/905,772	07/13/2001	Linda Angelone	GFM-00201	3503
7590 Nixon Peabody LLP Clinton Square P O Box 31051 Rochester, NY 14603				
EXAMINER				
FRENEL, VANEL				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/905,772

Applicant(s)

ANGELONE ET AL.

Examiner

VANEL FRENEL

Art Unit

3687

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 02 March 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 75-101 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 75-101 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Notice to Applicant

1. This communication is in response to the Amendment filed on 3/02/09. Claims 75-76, 78, 79-83, 85, 88, 92, 94, 97 and 101 have been amended. Claims 75-101 are pending.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 75-83 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 75-83 recite a process comprising the steps of performing, allocating and providing. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parkerv. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it

is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 75-81, 83-90, 92-99 and 101 are rejected under 35 U.S.C. 103(a) as being unpatentable over King et al. (5,704,045) in view of Kern (6,604,080).

As per claim 75, King discloses a method for performing "with an assessment processing system" the assessment of the at least one insolvency fund based on one or more factors when the determining determines the assessment is needed (See King, Col.5, lines 45-67); allocating "with the assessment processing system" a member assessment amount to each of the plurality of insurers based on the performed assessment (See King, Col.10, lines 1-29); and providing "with a communication system" notification of the allocated member assessment amount to each of the plurality of insurers (See King, Col.5, lines 45-67; Col.6, lines 15-63).

King does not explicitly disclose that the method having an assessment comprising: determining "with a triggering system" when an assessment of at least one

insolvency fund associated with a plurality of insurers is needed based on one or more triggers.

However, this feature is known in the art, as evidenced by Kern. In particular, Kern suggests that an assessment comprising: determining "with a triggering system" when an assessment of at least one insolvency fund associated with a plurality of insurers is needed based on one or more triggers (See Kern, Col.19, lines 55-67 to Col.20, line 19).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Kern within the system of King with the motivation of providing under state law, the insurance company is liable to the injured employee. If the insurance company should fail, then the state guarantee fund becomes liable (See Kern, Col.19, lines 55-67).

As per claim 76, Kern discloses the method wherein the one or more triggers comprise an insolvency of at least one of the plurality of insurers, a size of an insolvency of at least one of the plurality of insurers above an insolvency amount threshold, a current total amount in the at least one insolvency fund below a threshold amount, and an expiration of a first set period of time (See Kern, Col.20, lines 1-20).

As per claim 77, King discloses the method wherein the insolvency amount threshold comprises an amount needed to play existing claims (See King, Col.1, lines 46-59).

As per claim 78, King discloses the method wherein the allocating "with the assessment processing system" the member assessment amount further comprising: determining "with the assessment processing system" a member ratio for the allocating the member assessment amount to each of the plurality of insurers (See King, Col .5, lines 45-67; Col.6, lines 15-63); and applying "with the assessment processing system" each of the determined member ratios to a gross assessment amount obtained from the performed assessment to obtain the member assessment amount for each of the plurality of insurers (See King, Col.5, lines 45-67; Col.6, lines 15-63).

As per claim 79, Kern discloses the method wherein the one or more factors comprise at least one of one or more state rules and one or more state statutes relating to an insurance insolvency (See Kern, Co1.23, lines 48-67 to Co1.3, line 27).

As per claim 80, King discloses the method further comprising: receiving "with the communication system" approval of the allocated member assessment amounts from each of the plurality of insurers (See King, Co1.5, lines 45-67; Co1.6, lines 15-63); and finalizing "with the assessment processing system" the allocated member assessment amounts based on the received approval (See King, Co1.5, lines 45-67; Co1.6, lines 15-63).

As per claim 81, King discloses the method further comprising: receiving "with the communicating system" at least one of new data and adjusted data relating to at least one of the performing the assessment and the allocating the assessment (See King, Co1.19, lines 12-27); and adjusting "with the assessment processing system" the allocating the member assessment amount for at least one of the plurality of insurers based on the at least one of new data and adjusted data (See King, Co1.17, lines 21-45).

As per claim 82, King discloses the method wherein the adjusting further comprises: recalculating "with the assessment processing system" at least one new member ratio for allocating to at least one of the plurality of insurers (See King, Co1.19, lines 12-27); and applying "with the assessment processing system" the at least one new determined member ratio to a gross assessment amount obtained from the performed assessment to obtain the member assessment amount for at least one of the plurality of insurers (See King, Co1.1, lines 46-59).

As per claim 83, King discloses the method wherein the adjusting further comprises: receiving "with the communication system" a reversal notification from at least one of the plurality of insurers (See King, Co1.5, lines 45-67; Co1.6, lines 15-63); and reinstating "with the assessment processing system" the prior member assessment amount to each of the plurality of insurers in response to the received reversal notification (See King, Co1.5, lines 45-67; Co1.6, lines 15-63).

Claim 84 differs from claim 75 by reciting a computer readable medium having stored thereon instructions for performing an assessment comprising machine executable code which when executed by at least one processor, causes the processor to perform steps comprising:

As per this limitation, it is noted that Kern determining when an assessment of at least one insolvency fund associated with a plurality of insurers is needed based on one or more trigger (See Kern, Co1.19, lines 55-67 to Co1.20, line 19) and King discloses performing the assessment of the at least one insolvency fund based on one or more factors when the determining determines the assessment is needed (See King, Co1.5, lines 45-67); allocating a member assessment amount to each of the plurality of insurers based on the performed assessment; (See King, Co1.10, lines 1-29); and providing notification of the allocated member assessment amount to each of the plurality of insurers (See King, Co1.5, lines 45-67; Co1.6, lines 15-63).

Thus, it is readily apparent that these prior art systems utilize a computer readable medium having stored thereon instructions for performing an assessment comprising machine executable code which when executed by at least one processor, causes the processor to perform their specified function.

The remainder of claim 84 is rejected for the same reasons given above for claim 75, and incorporated herein.

As per claim 93, King discloses an assessment processing system that performs the assessment of the at least one insolvency fund based on one or more factors when the determining determines the assessment is needed and allocates a member assessment amount to each of the plurality of insurers based on the performed assessment (See King, Co1.10, lines 1-29); and a communication system that provides notification of the allocated member assessment amount to each of the plurality of insurers (See King, Co1.5, lines 45-67; Co1.6, lines 15-63).

King does not explicitly disclose a system comprising: a triggering system that determines when an assessment of at least one insolvency fund associated with a plurality of insurers is needed based on one or more triggers.

However, this feature is known in the art, as evidenced by Kern. In particular, Kern suggests a system comprising; a triggering system that determines when an assessment of at least one insolvency fund associated with a plurality of insurers is needed based on one or more triggers (See Kern, Co1.19, lines 55-67 to Co1.20, line 19).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Kern within the system of King with the motivation of providing under state law, the insurance company is liable to the injured employee, If the insurance company should fail, then the state guarantee fund becomes liable (See Kern, Col.19, lines 55-67).

Claims 85-92 and 94-101 recite the underlying process steps of the elements of claims 76-83, respectively. As the various elements of claims 76-83 have been shown to be either disclosed by or obvious in view of the collective teachings of King and Kern, it is readily apparent that the system disclosed by the applied prior art performs the recited underlying functions. As such, the limitations, recited in claims 85-92 and 94-101 are rejected for the same reasons given above for method claims 76-83, and incorporated herein.

Claim Objections

6. Claims 82, 91 and 100 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

Response to Arguments

7. Applicant's arguments filed on 03/02/09 with respect to claims 75-101 have been considered but are moot in view of the new ground(s) of rejection.

(A) At pages 8-15 of the response filed on 03/02/09, Applicant's argues the followings:

(i) The rejection of the 35 U.S.C 101 should be withdrawn.

(ii) Neither King nor Kern alone or in combination disclose or suggest determining "with a triggering system" when an assessment of at least one insolvency fund associated with a plurality of insurers is needed based on one or more triggers.

(iii) Neither King nor Kern disclose or suggest "performing the assessment of the at least one insolvency fund based on one or more factors when the determining determines the assessment is needed.

(iv) There is no discussion or suggestion in King of the underwriter performing an assessment of an insolvency.

(v) Neither King nor Kern alone or in combination disclose or suggest "wherein the one or more factors comprise at least one of one or more state rules and one or more state statutes relating to an insurance insolvency.

(B) With respect to Applicant first argument, the Examiner respectfully submitted that claims 75-83 still remaining non-statutory since Applicant does not properly show that a computer has performed the steps in claim 75. Furthermore, claims 75-83 recite a process comprising the steps of determining, performing, allocating and providing. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parkerv. Flook*, 437 U.S. 584, 588 n.9 (1978);

Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. Therefore, Applicant's argument is not persuasive and the rejection is hereby sustained.

(C) With respect to Applicant's second argument, the Examiner respectfully submitted that He relied upon the teachings of Kern (See Col.5, lines 35-67; Col.6, lines 50-67; Col8, lines 47-67) which correspond to Applicant's claimed feature. As such, the Examiner respectfully submitted that such terms were given their broadest reasonable interpretations during examination, and since the applied reference clearly discloses the claimed limitations, when given their broadest reasonable interpretations, it is respectfully submitted that the Examiner's reliance on Kern is indeed proper. Therefore, Applicant's argument is not persuasive and the rejection is hereby sustained.

(D) With respect to Applicant's third argument, the Examiner respectfully submitted that He relied upon the teachings of Kern (See Kern, Col.19, lines 55-67 to Col.20, line 20) which correspond to Applicant's claimed feature. As such, the Examiner respectfully submitted that such terms were given their broadest reasonable interpretations during

examination, and since the applied reference clearly discloses the claimed limitations, when given their broadest reasonable interpretations, it is respectfully submitted that the Examiner's reliance on Kern is indeed proper. Therefore, Applicant's argument is not persuasive and the rejection is hereby sustained.

(E) With respect to Applicant's fourth argument, the Examiner respectfully submitted that He relied upon the teachings of Kern (See Kern, Fig.17; Col.19, lines 55-67 to Col.20, line 20) which correspond to Applicant's claimed feature. As such, the Examiner respectfully submitted that such terms were given their broadest reasonable interpretations during examination, and since the applied reference clearly discloses the claimed limitations, when given their broadest reasonable interpretations, it is respectfully submitted that the Examiner's reliance on Kern is indeed proper. Therefore, Applicant's argument is not persuasive and the rejection is hereby sustained.

(F) With respect to Applicant's fifth argument, the Examiner respectfully submitted that He relied upon the teachings of Kern (See Kern, Col.14, lines 55-67 to Col.15, line 39) which correspond to Applicant's claimed feature. As such, the Examiner respectfully submitted that such terms were given their broadest reasonable interpretations during examination, and since the applied reference clearly discloses the claimed limitations, when given their broadest reasonable interpretations, it is respectfully submitted that the Examiner's reliance on Kern is indeed proper. Therefore, Applicant's argument is not persuasive and the rejection is hereby sustained.

(G) With respect to Applicant's sixth argument, the Examiner respectfully submitted that obviousness is determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992); *In re Hedges*, 783 F.2d 1038, 1039, 228 USPQ 685,686 (Fed. Cir. 1992); *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785,788 (Fed. Cir. 1984); and *In re Rinehart*, 531 F.2d 1048, 1052, 189 USPQ 143,147 (CCPA 1976). Using this standard, the Examiner respectfully submits that he has at least satisfied the burden of presenting a prima facie case of obviousness, since he has presented evidence of corresponding claim elements in the prior art and has expressly articulated the combinations and the motivations for combinations that fairly suggest Applicant's claimed invention. Rather, Applicant does not point to any specific distinction(s) between the features disclosed in the references and the features that are presently claimed. In particular, 37 CFR 1.11 I(b) states, "A general allegation that the claims define a patentable invention without specifically pointing out how the language of the claims patentably distinguishes them from the reference does not comply with the requirements of this section." Applicant has failed to specifically point out how the language of the claims patentably distinguishes them from the applied references. Also, arguments or conclusions of Attorney cannot take the place of evidence. In *re Cole*, 51 CCPA 919, 326 F.2d 769, 140 USPQ 230 (1964); *In re Schulze*, 52 CCPA 1422, 346 F.2d 600, 145 USPQ 716 (1965); *Mertznerv. Mindick*, 549 F.2d 775, 193 USPQ 17 (CCPA 1977).

In addition, the Examiner recognizes that references cannot be arbitrarily altered or modified and that there must be some reason why one skilled in the art would be motivated to make the proposed modifications. However, although the Examiner agrees that the motivation or suggestion to make modifications must be articulated, it is respectfully contended that there is no requirement that the motivation to make modifications must be expressly articulated within the references themselves. References are evaluated by what they suggest to one versed in the art, rather than by their specific disclosures. In re Bozek, 163 USPQ 545 (CCPA 1969).

The Examiner is concerned that Applicant apparently ignores the mandate of the numerous court decisions supporting the position given above. The issue of obviousness is not determined by what the references expressly state but by what they would reasonably suggest to one of ordinary skill in the art, as supported by decisions in In re DeLisle 406 Fed 1326, 160 USPQ 806; In re Kell, Terry and Davies 208 USPQ 871; and In re Fine, 837 F.2d 1071, 1074, 5 USPQ 2d 1596, 1598 (Fed. Cir. 1988) (citing In re Lalu, 747 F.2d 703,705, 223 USPQ 1257, 1258 (Fed. Cir. 1988)). Furthermore, it was determined in In re Lamberti et al, 192 USPQ 278 (CCPA) that:

- (i) obviousness does not require absolute predictability;
 - (ii) non-preferred embodiments of prior art must also be considered; and
 - (iii) the question is not express teaching of references, but what they would suggest.
- Therefore, Applicant's argument is not persuasive and the rejection is hereby sustained.

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to VANEL FRENEL whose telephone number is (571)272-6769. The examiner can normally be reached on 6:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Matthew S. Gart can be reached on 571-272-3955. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For

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more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Nanel Frenel/

Examiner, Art Unit 3687

May 1, 2009